

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 6674

Petition of Comcast Business Communications, )  
Inc. for Approval of an Indirect Transfer of )  
Control )

Order entered: 5/15/2002

**I. INTRODUCTION**

This case involves a petition filed on March 4, 2002, by Comcast Business Communications, Inc. ("Comcast" or "Petitioner"), seeking Vermont Public Service Board ("Board") approval under 30 V.S.A. § 107, for approval of an indirect transfer of control resulting from the proposed transfer of ownership and control of Comcast's ultimate parent corporation.

On April 23, 2002, the Vermont Department of Public Service ("Department") submitted a letter to the Board indicating that the Department had no objection to the transfer of control. The Department noted that the transaction should be transparent to existing Comcast customers and will not result in any change to the provision of service or in the rates, terms or conditions of service currently offered by Comcast. Further, the Department also had no objection to the issuance of an order without hearing or further investigation, as provided under 30 V.S.A. § 107.

**II. FINDINGS OF FACT**

Based upon the petition and accompanying documents, the Board makes the following findings of fact.

1. Comcast received a Certificate of Public Good (CPG No. 413) to provide telecommunications services in Vermont on August 7, 1998, under the name Comcast Telecommunications, Inc. d/b/a Comcast Long Distance.<sup>1</sup> Comcast Corporation ("Parent") is

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1. The CPG was subsequently amended on 5/29/01 to reflect a corporate name change to Comcast Business Communications, Inc.

Comcast's ultimate parent corporation and is not authorized to provide telecommunications services in Vermont. Petition at 1-2.

2. Pursuant to an Agreement and Plan of Merger, the ownership and control of Parent will be transferred to AT&T Comcast Corporation. Upon completion of the transaction, Parent will become a wholly-owned subsidiary of AT&T Comcast Corporation. Following the transaction, Comcast will continue to operate in all respects as it currently operates, pursuant to existing operating authority. Neither the name of nor the terms and conditions of service offered by Comcast will be affected by the transaction. Petition at 2.

3. Completion of the proposed transaction will promote the public interest in that it will promote competition among telecommunications providers by providing McLeod with access to greater financial resources, thus strengthening its competitive position and enabling it to pursue marketing and business plans more effectively. Petition at 3-4.

### **III. CONCLUSIONS OF LAW AND DISCUSSION**

The proposed transaction requires Board approval under 30 V.S.A. § 107, which applies to a direct or indirect acquisition of a controlling interest in a Vermont utility.<sup>2</sup> Under Section 107, a "controlling interest" is defined as 10% or more of the outstanding voting securities of a company. Section 107 requires a finding that the transfer of control will promote the public good. This standard is met in this case. The proposed transaction will promote the public good, because the indirect transfer of control of Comcast will allow it access to greater financial resources, thus allowing it to operate in a more flexible manner. In the competitive arena of telecommunications, the overall effect of this transfer may promote more customer choice in terms of services, with stronger competitors in the Vermont telecommunications market. It should also be noted that the transfer of control will not have an adverse impact on Vermont consumers as Comcast will continue to operate according to its present authority.

For all of the above reasons, the proposed indirect transfer of control of Comcast should be approved.

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2. Approval under 30 V.S.A. §§ 231 and 311 is not required because the current holder of the Certificate of Public Good will continue to be the entity providing telecommunications service in Vermont.

**IV. ORDER**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The indirect transfer of control of Comcast Business Communications, Inc., is approved.
2. Petitioner shall file a letter notifying the Board of the completion of the transaction within one week of such completion.

DATED at Montpelier, Vermont, this 15<sup>th</sup> day of May, 2002.

<u>s/Michael H. Dworkin</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/John D. Burke</u>	)	

OFFICE OF THE CLERK

Filed: May 15, 2002

Attest: s/Susan M. Hudson

Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us).*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*